



SOUTH AFRICAN TAX GUIDE

2023/2024



**PERSONAL
T · R · U · S · T**

for the personal touch

At **Personal Trust**, we provide client-focused trust and investment management services to those planning for, or already in their retirement years.

Through our offices in Cape Town (Rondebosch and Noordhoek), Somerset West, George, Knysna, Gqeberha and the UK, we offer a full range of financial services, providing you with an holistic financial solution. The personal attention and service we give you enables us to act as partners in providing professional guidance on the management of all aspects of your financial affairs. Our full range of trustee and investment services includes:

- Individually constructed and managed investment portfolios
- Retirement planning
- Tax services (*see below for more information*)
- Money Market
- Estate planning and drawing up of Wills
- Creation of trusts
- Offshore financial planning

OUR PERSONAL TAX SERVICES

We believe that managing your tax obligations responsibly and proactively can make a critical difference. Our tax specialists can give you general advice about your Income Tax and Capital Gains Tax Liabilities, and discuss the implications of self-employment, property income and residence issues. By understanding your goals, we are able to help you with general tax planning, annual and provisional tax returns for individuals, corporates and trusts and we can assist with all transactions with the South African Revenue Service.

For further information, or to discuss your own particular needs, you are welcome to contact us personally on the numbers listed at the back of this guide.

This publication is a guide to the salient features of the budget tabled in Parliament on 23 February 2023.

INCOME TAX RATES - 2024 TAX YEAR

NATURAL PERSONS

Taxable Income	Rates
R - to R 237,100	18% of each R 1.00
R 237,101 to R 370,500	R 42,678 + 26% of the amount over R 237,100
R 370,501 to R 512,800	R 77,362 + 31% of the amount over R 370,500
R 512,801 to R 673,000	R 121,475 + 36% of the amount over R 512,800
R 673,001 to R 857,900	R 179,147 + 39% of the amount over R 673,000
R 857,901 to R 1,817,000	R 251,258 + 41% of the amount over R 857,900
R 1,817,001 and above	R 644,489 + 45% of the amount over R 1,871,001

TRUST

Taxable Income	Rates
Inter-vivos & Testamentary Trusts	- 45% of Taxable Income
Special Trusts	- Taxed on Individual rates (above)

COMPANIES/CLOSE CORPORATIONS FINANCIAL YEARS ENDING AFTER 1 APRIL 2012

SMALL BUSINESS CORPORATIONS qualifying factors i.e. turnover limited to R20,000,000, type of trade and no of staff etc	- 0% of Income up to R 95,750 - 7% of Income between R95,751 - R365,000 - R18,848 + 21% of Income between R365,001 and R550,000 - R57,698 + 27% of Income above R550,001
COMPANIES/CLOSE CORPORATIONS DIVIDEND WITHHOLDING TAX	- 27% of taxable income (From 1 April 2022) - 20% of Dividend Declared (From 22 February 2017)

EXCHANGE CONTROL LIMITS

OFFSHORE INVESTMENT - effective 1 April 2015

The amount that Natural Persons can invest outside the Republic is R10,000,000 p.a.

Conditions:	- Must be over 18 - Must be a registered taxpayer - Must get a Tax Clearance certificate from SARS
-------------	--

The discretionary allowance may also be used without obtaining tax clearance R1,000,000 p.a.

ESTATES

Estate Duty Rate	< R30,000,000.00	20%
	> R30,000,000.00	25%
Basic Deduction	R3,500,000	(effective 1 March 2007)

TAX SUMMARY AND GUIDE - 2024 TAX YEAR

MAXIMUM MARGINAL RATE OF TAX

	<u>2023</u>	<u>2024</u>
Persons / Trusts	45%	45%
Maximum Rate at	R 1,731,600.00	R 1,817,001.00

REBATES

	<u>2023</u>	<u>2024</u>
Natural Persons		
- Primary	R 16,425.00	R 17,235.00
- Age (Over 65)	R 9,000.00	R 9,444.00
- Age (Over 75)	R 2,997.00	R 3,145.00
Trusts	Nil	Nil

TAX THRESHOLDS

Amounts that Taxable Income must equal before liability for Income Tax commences

	<u>2023</u>	<u>2024</u>
Natural Persons		
- Under 65	R 91,250	R 95,750
- Over 65	R 141,250	R 148,217
- Over 75	R 157,900	R 165,689

MEDICAL EXPENSES

Under 65	- Tax credits iro Medical Aid Scheme contributions + 25% of other qualifying expenditure in excess of 7.5% of taxable income
Over 65	- 33.3 % of all qualifying expenditure + contributions exceeding 3x medical scheme credits

PENSION, PROVIDENT FUND & RETIREMENT ANNUITY FUND CONTRIBUTIONS (1 March 2017)

Contributions to pension, provident as well as retirement annuity funds is limited to 27.5% of the greater of remuneration used for PAYE purposes or taxable income
The maximum deduction allowed per annum will be limited to R350,000
Excess may be carried forward to following year of assessment

PROVISIONAL TAX

Individuals earning income other than remuneration do not need to be registered for the purposes of provisional tax provided their taxable income is below the tax thresholds or; Taxable investment income is below R30,000.00

DONATIONS

Donations Tax Rate	< R30,000,000.00	20%
	> R30,000,000.00	25%
Exempt Donations	- R 100,000.00 p.a. per natural person	

INVESTMENTS

- **Local Interest Exemption**
Under 65 – R23,800 per annum
Over 65 – R34,500 per annum
- Dividends from Property Trust – fully taxable
- Foreign interest – fully taxable
- Foreign dividends – 44.4% taxable
- Tax free savings – R36,000 – per annum (Lifetime limit of R500,000)

CAPITAL GAINS TAX - Effective date 1 October 2001

- Residents are subject to tax on the disposal of their assets held worldwide, while non-residents will be taxed on the disposal of certain assets in RSA.
Inclusion rates: (1 March 2017)
- Natural persons & Special Trusts 40%
Normal Trusts & Companies 80%
- Exclusions are only applicable to Natural persons:
Primary residence exclusion **R2,000,000** (1 March 2012)
Annual exclusion **R40,000** (1 March 2017)
Annual exclusion on death **R300,000** (1 March 2012)

TRANSFER DUTY effective 1 March 2023

Natural and legal persons

- First R 1,100,000 0%
- R 1,100,001 to R 1,512,500 3% on value between R1,100,001 & R1,512,500
- R 1,512,501 to R 2,117,500 R12,375 + 6% on value between R1,512,500 & R2,117,500
- R 2,117,501 to R 2,722,500 R48,675 + 8% on value between R2,117,501 and R2,722,500
- R 2,722,501 to R12,100,000 R97,075 + 11% on value between R2,722,501 and R12,100,000
- R12,100,001 and above R1,128,600 + 13% of the amount above R12,100,000

MARKETABLE SECURITIES TAX

The Rate of MST/UST is

0.25%

RETIREMENT FUND LUMP SUM BENEFITS OR SEVERANCE BENEFITS

- R - to R 550,000 0% of taxable amount
- R 550,001 to R 770,000 18% of taxable amount above R 550,000
- R 770,001 to R 1,155,000 R 39,600 + 27% of the amount above R 770,000
- R 1,155,001 and above R 143,550 + 36% of the amount above R 1,155,000

RETIREMENT FUND LUMP SUM WITHDRAWAL BENEFITS

- R - to R 27,500 0% of taxable amount
- R 27,501 to R 726,000 18% of taxable amount above R 27,500
- R 726,001 to R 1,089,000 R 125,730 + 27% of the amount above R 726,000
- R 1,089,0001 and above R 223,740 + 36% of the amount above R 1,089,000

PERSONAL TRUST (PTY) LTD

RONDEBOSCH OFFICE Personal Trust House Belmont Park Belmont Road Rondebosch 7700
P O Box 476 Rondebosch Cape Town 7701 RSA
Tel: 021 689 8975 · Fax: 021 686 9093

SOMERSET WEST OFFICE G03 Parc du Links Niblick Way Somerset West 7130
Postnet Suite Number 126 Private Bag X15 Somerset West 7129 RSA
Tel: 021 852 2265 · Fax: 021 852 9298

NOORDHOEK OFFICE Unit 1 – No. 3 Carlton Close, Sunnydale, Noordhoek 7979
P O Box 1030 Sun Valley 7985
Tel: 021 785 3298 · Fax: 086 210 4931

KNYSNA OFFICE Thesen House 6 Long Street Knysna 6570
Postnet Suite 0306 Private Bag X31 Knysna 6570
Tel: 044 382 2100 · Fax: 044 382 7427

GEORGE OFFICE Unit 18 Fairview Office Park 1st Street George East George 6529
Tel: 044 871 0946

GQEBERHA OFFICE Ground Floor Elizabeth Place 14-20 Pickering Street
Newton Park Gqeberha 6045
P O Box 34496 Newton Park 6055
Tel: 041 363 0300 · Cell: 076 071 9033 · Fax to Email: 086 210 4931

INTERNATIONAL OFFICE LONDON 17 Hope Street Douglas Isle of Man IM1 1AQ · P O Box 909
Beaconsfield Buckinghamshire HP9 1JH.
Tel: 0044 7973 255 259 · Fax: 0044 1494 400 313

EMAIL personaltrust@ptrust.co.za **WEBSITE** www.personaltrust.co.za

DIRECTORS AND SHAREHOLDERS KS Andrews BCom CA(SA) PG Dip(Tax Law), AD Calmeyer AFP™, J Falconer CA(SA), M Gibbs BAcc CA(SA), TS Gobe BBusSc(Hons) Managing Director, R Hendriks BA LLB LLM PGDFP, PAG Kilroe BCom, JP le Roux CFP® BCom(Hons) CA(SA) Chairman, NB Mc Intyre BSocSc LRDP, JA Meyer BCompt(Hons), GE Moore BCom(Hons), GE Nasson CFP® BCom CAIB(SA), SK Nielsen, KW van den Berg CFP® BCom (Hons) CA(SA), J van der Westhuizen Nat Cert in FP, GL White CFP® BCom PGD Mgmt(Mkt)

NON-EXECUTIVE DIRECTORS JA Bester BCom(Hons) CA(SA) CMS(Oxon)

CONSULTANT TD Miles (British)

ADDITIONAL SHAREHOLDERS MC Arends Nat Cert in FP, GP Ashwell CFP® BCom, JA Bester BCom(Hons) CA(SA) CMS (Oxon), YS Carelse BSocSci, SD Chivell, BR Danks BCom CAM Dip, DS Edgar CFP® BCom, JM Forte, LM Godet MCom, TA Govender BBA PDFP, MA Huxter MBA, BK Kiss CPCE DITN, JM Koopman, M McKay CFP®, RM Mendes-Abreu CAIB (SA), TD Miles (British), OK Moses, LS Petersen, R Pienaar CFP®, BG Prettejohn BCom Hons, RO Smith HDip (Tax), KA Sontsele CFP® BCom, J Stadler Adv Cert in FP, N Taal BSocSc PGD Mgmt (HR), A Theron BCom LLB PGDFP, A Tyali BCom, L van Wyk BCom (Hons), PB Vlotman (DMS) Dip BusM, E Vosloo BSc Hons BCom PGDIM, L Wasmuth

MEMBER The Fiduciary Institute of Southern Africa

Readers are reminded that any comments, opinions and recommendations relating to investment products are made in good faith and with full attention to accuracy. However, market conditions are subject to constant fluctuations locally and globally. We advise, at all times, that investments be made only after consultation with us, and after individual circumstances have been thoroughly considered.